



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 8, 2001

Sunroc Corporation
Dana Truman
180 North 300 East
St. George, Utah 84770

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, East Veyo Cinder Knoll Project, S/053/067, Washington County, Utah

Dear Mr. Truman:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee, received by the Division on January 4, 2001. The proposed East Veyo Cinder Knoll Project is located in Section 29 & 30, T39S, R16W, SLBM, Washington County, Utah. The application is considered complete and no additional information is required by the Division at this time. You may commence with your operations as outlined provided you have received written acceptance from the Bureau of Land Management, as this is located on federal land managed by the BLM.

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 annual fee.

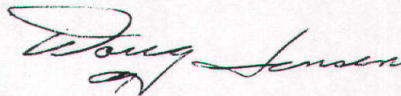
The variance section of the notice was not marked. Therefore, we will assume this means that no variances are requested and you will abide by all Operation and Reclamation Practices, as summarized on pages 3 and 4 of the notice (summarized copy and the statutory penalty for failure to reclaim a minesite enclosed). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in cursive script that reads "Doug Jensen".

Doug Jensen
Senior Reclamation Specialist

jb
Enclosure
cc: Larry Gore, BLM, Dixie FO
S53-67.apv